



**CITY OF SAN ANTONIO
REQUEST FOR PROPOSALS (RFP)**

COMMERCIAL REAL ESTATE BROKERAGE SERVICES

ADDENDUM #2, July 31, 2009

This Addendum includes responses to questions received in writing prior to the date of this Addendum. It also contains revisions to the RFP.

QUESTIONS AND CLARIFICATIONS REGARDING THE RFP

- 1. Q: Can we get specifics and/or tour the retail space in the St. Mary's parking garage as well as the specific parcels of land set for disposition at the Southwest Business and Technology Park?**

A: It is anticipated that there will be about 2,400 square feet of space available on the 1st floor of the St. Mary's Garage building. The space has about 40 ft. of window glass along St. Mary's and some improvements, including HVAC and electric service, have been installed. The particular challenge is that the City has not budgeted an allowance for tenant improvements for this space. A prospective tenant would need to finance the cost of improvements with the eventual lease rate reflective of that fact. There are several hundred acres still available at the SWBTP, some of which have been subdivided and range in size from 7 acres to 20 acres. There will not be a tour of the St. Mary's Garage space.

- 2. Q: What were the average annual historical revenues over the last five (5) years by service provider?**

A: The majority of revenues collected by the contracted broker will be paid by the seller or lessor, the amount of property acquired by the City will vary each year, but it is anticipated that it will average between \$1million and \$1.5 million annually over the contract's three years. The actual amount of commission paid by the seller will be negotiated directly by the brokers. In the case of leasing, the City on an annual basis will acquire or renew about 100,000 to 150,000 square feet of leased space. In the case of these lease acquisitions or renewals, the payment of commission will be negotiated directly between the broker and the building owner. Though the City sells several surplus assets each year, state law generally requires that the properties be sold at public auction. As a result, City staff will coordinate the marketing and sales process and the broker is not involved. The exception is the Southwest Business and Technology Park in which all prior sales have been coordinated through the broker.

3. Q: The RFP notes that the City may select more than one provider. Will the city seek to limit the number of selected providers to one per service area (disposition, acquisition, research, leasing, etc.)?

A: In the past one provider has handled all aspects of the contract. The intent is to focus on awarding this contract to a single provider, though the City wishes to retain the flexibility to award the contract to multiple providers if it is in the City's best interest to do so.

4. Q: If the City selects more than one provider, then how will the City determine which provider to use for each assignment?

A: The City will review all of the submissions, and, if in the City's interest to do so, multiple providers will be selected based upon a grading system similar to that outlined in the RFP.

5. Q: Will the City accept a proposal for a specific piece of the business (i.e. - user representation transactions or purchase/sale transactions)?

A; No, such a submission will be considered unresponsive.

6. Q: How many leases are expiring in each of the next 3 years and what is the average lease size? Percentage of office/office-warehouse/retail?

A: It is anticipated that on average about 15 to 20 leases will expire annually or 45 to 60 leases over a three year period. On average, City leases are about 5,000 square feet, an accurate percentage of warehouse versus office space is not known.

7. Q: Can you provide a list of each lease the Department administers, including: # of square feet, use (office, warehouse, retails, etc.), term, and expiration dates?

A: This list is not available.

END OF RESPONSES TO QUESTIONS

REVISIONS TO THE RFP

1. The following statement from RFP ATTACHMENT 7 is stricken:

“Maximum % of below Market Value/Rental on which Commission may be paid – 75%

2. The template contract is provided at this RFP's website entitled “Sample Broker Contract.”

END OF REVISION TO THE RFP

No other items, dates, or deadlines for this RFQ are changed.

END OF ADDENDUM #2